

WATER/ABJ/DON/RKN:jlj

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION**

**RESOLUTION NO. W-4361**

**November 7, 2002**

**RESOLUTION**

**(RES. W-4361), ROGINA WATER COMPANY, INC., (RWC). ORDER  
AUTHORIZING A SURCHARGE TO RECOVER AN UNDER-COLLECTION  
IN ITS PURCHASED POWER BALANCING ACCOUNT PRODUCING AN  
INCREASE IN ANNUAL REVENUE OF \$29,556 OR 6.72%.**

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**SUMMARY**

By Advice Letter No. 41, filed on June 10, 2002, RWC seeks revision of its tariff Schedule No. 1, General Metered Service, and Schedule No. 3M, Irrigation Service, to provide an increase in revenues of \$29,556 or 6.72% to recover an under-collection in its purchased power balancing account, which was accrued between January 1, 2001 and November 29, 2001. This increase is a result of increased costs for purchased power since RWC's present rates became effective. The rate increase will not result in a rate of return greater than the last authorized for RWC.

**BACKGROUND**

RWC requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to offset the \$29,556 uncollected balance in its purchase power balancing account, and \$281 in related interest on the amount in the balancing account. The purchased power increases became effective by Commission Decisions (D.) 01-03-082 and D.01-05-064, which authorized the Pacific Gas & Electric Company (PG&E) surcharges.

RWC serves approximately 930 residential metered customers in Talmage and vicinity, a suburban area three miles east of the city of Ukiah, Mendocino County. The present rates of RWC became effective on January 14, 2002, pursuant to Res. No.W-4318, which authorized the company a Purchased Power Offset increase of \$38,519 or 9.83%. The last general rate increase for RWC was approved by Res. W-3853 dated June 26, 1994, which authorized an increase of \$25,131 or 9.6% for test year 1993. The Resolution authorized an 11.3% rate of return for RWC. For the year ending December 31, 2001, RWC reported a rate of return of 7.07%; therefore, the utility was not over earning.

## **DISCUSSION**

Effective January 4, 2001 and March 27, 2001, PG&E was allowed to impose a surcharge for purchased power of one cent per kilowatt-hour (kWh) and three cents per kWh, respectively, pursuant to D.01-01-018 and D.01-03-082.

Additionally, effective June 1, 2001, pursuant to D.01-05-064, PG&E was granted additional surcharges of \$0.06140 per kWh for summer consumption and \$0.02838 per kWh for winter consumption for rate schedules Nos. A-1 and A-1P. Surcharges of \$0.0907 per kWh during on-peak summer consumption, \$0.04131 per kWh during summer and winter partial-peak consumption and were allowed \$0.03131 per kWh during summer and winter off-peak consumption per Schedule No. E-19. These PG&E surcharges have resulted in a \$38,519 increase in purchased power costs for RWC.

The increases in PG&E's purchased power costs are directly related to water consumption and therefore recovery shall be applied to quantity rates. In order to recover the under-collection in its purchase power balancing account, RWC will assess a surcharge of \$0.13/Ccf for 12 months (One Ccf is equal to one-hundred cubic feet). The bill for an average residential customer using 26 Ccf of water per month with a 5/8 x 3/4-inch meter will increase from \$32.51 to \$35.94, or \$3.43 or 10.6%. The bill for a residential customer using 26 Ccf of water per month with a 1-inch meter or with a 1½-inch meter will increase an average \$3.43 per month or 8.1% and 4.8%, respectively. Likewise, the bill for an irrigation service customer using 26 Ccf of water per month with a 1-1/2-inch meter and a 2-inch meter will increase an average of \$3.43 per month or 8.5% and 6.8%, respectively.

In accordance with Res. No. W-4294, dated November 29, 2001, Ordering Paragraph 4, Water Division staff shall continue to approve advice letter offset requests for Class B, C, and D water and sewer utilities that are not over earning on an actual basis.

Service is satisfactory. There are no Commission orders requiring system improvements nor are there any service problems requiring corrective action.

## **NOTICE AND PROTESTS**

Notice of the proposed rate increase was published in the Ukiah Daily Journal, a newspaper of general circulation, on June 11, 2002, as evidenced by proof of publication provided to the Water Division by the utility. There were no protests.

## **FINDINGS**

The Commission finds, after investigation by the Water Division, that the changes hereby authorized are justified and the resulting rates are just and reasonable.

November 7, 2002

**THEREFORE IT IS ORDERED that:**

1. Rogina Water Company is authorized, five days after the effective date herein, to make effective revised rate Schedules Nos. 1, General Metered Service, and 3M, Irrigation Service, attached to Advice Letter No. 41, and to cancel the corresponding presently effective rate schedules.
2. Rogina Water Company is directed to keep maintaining a balancing account as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

I hereby certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on November 7, 2002; the following Commissioners approved it:

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WESLEY M. FRANKLIN  
Executive Director

LORETTA M. LYNCH  
President

HENRY M. DUQUE  
CARL W. WOOD  
GEOFFREY F. BROWN  
MICHAEL R. PEEVEY  
Commissioners